Labour Market Bulletin

Nova Scotia

May 2018

This Labour Market Bulletin provides an analysis of Labour Force Survey results for the province of Nova Scotia, including the regions of Annapolis Valley, Cape Breton, Southern, Halifax and North Shore.

OVERVIEW

Employment in Nova Scotia declined in May as the strong growth that occurred in the labour market over the past year was curtailed. Month-over-month, employment went down by 3,600 with the losses occurring equally between full-time and part-time workers. The number of unemployed persons rose by 2,600, pushing the unemployment rate up to 7.2% from a record low of 6.7% in April. One thousand workers exited the labour force, causing the participation rate to slip by 0.1 of a percentage point (pp) to 61.4% while the working-age population (15 years of age and older) continued to expand, adding 500 individuals and reaching 797,500.

Nova Scotia Monthly Labour Force Statistics

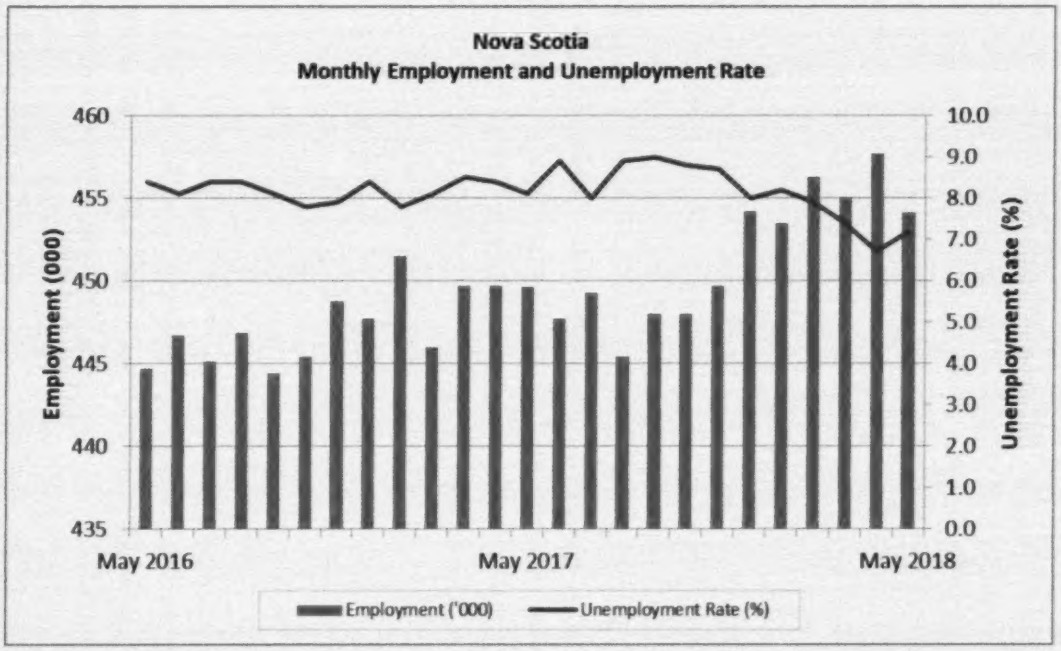
Seasonally Adjusted Monthly Data	May 2018	Apr 2018	May 2017	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	797.5	797.0	791.6	0.5	0.1	5.9	0.7
Labour Force ('000)	489.5	490.5	489.0	-1.0	-0.2	0.5	0.1
Employment ('000)	454.1	457.7	449.6	-3.6	-0.8	4.5	1.0
Full-Time ('000)	374.3	376.2	365.7	-1.9	-0.5	8.6	2.4
Part-Time ('000)	79.8	81.6	84.0	-1.8	-2.2	-4.2	-5.0
Unemployment ('000)	35.4	32.8	39.4	2.6	7.9	-4.0	-10.2
Unemployment Rate (%)	7.2	6.7	8.1	0.5	-	-0.9	-
Participation Rate (%)	61.4	61.5	61.8	-0.1	-	-0.4	-
Employment Rate (%)	56.9	57.4	56.8	-0.5	-	0.1	-

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0287

Compared to the same month one year ago, developments in the labour market were more positive. Employment was up by 1.0% compared to May 2017, representing an increase of 4,500 workers despite the latest month-over-month decline. This increase resulted from full-time employment increasing by 8,600, which was partially offset by a 4,200 person decline in the number of individuals working part-time hours. Though both

the level of employment and the working-age population increased since May 2017, the size of the labour force was little-changed. These factors caused both the unemployment rate and participation rate to decline.



Trends in employment diverged by class of worker: the number of private-sector employees and self-employed individuals went up by 3.5% and 3.7% respectively since May 2017, adding a total of 11,900 workers. Meanwhile, there were 7,200 fewer public sector employees than one year prior, a decrease of 6.2%.

Youths (aged 15 to 24 years) in Nova Scotia continued to post labour market indicators which were less favourable than the adult population, though some positive changes have occurred during the past year. Overall employment in this age group went up by 300, as both sexes experienced an increase in full-time employment combined with a reduction in the number of part-time workers. In spite of a net increase in employment occurring only among male youths, females continued to account for more than half of employment in this sector and had an unemployment rate 6.6pp lower than their male counterparts. Though the overall youth unemployment rate declined by 1.4pp, it remained the second highest in the country at 15.2%— by comparison, the national rate was 11.1%.

Nova Scotia Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	May 2018	Apr 2018	May 2017	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
Total	7.2	6.7	8.1	0.5	-0.9
25 years and over	5.9	5.1	6.6	0.8	-0.7
Men - 25 years and over	7.8	6.9	8.3	0.9	-0.5
Women - 25 years and over	3.9	3.2	4.9	0.7	-1.0
15 to 24 years	15.2	16.4	16.6	-1.2	-1.4
Men - 15 to 24 years	18.4	20.2	20.2	-1.8	-1.8
Women - 15 to 24 years	11.8	12.5	12.8	-0.7	-1.0

Source: Statistics Canada Labour Force Survey – Table 14-10-0287

A mixture of positive and negative changes occurred among prime working-age individuals (aged 25 to 54) since May 2017. Overall, employment went up by 2,900 as the number of both full-time and part-time workers increased, though these changes were not evenly balanced between the two sexes. Full-time employment went up among males but declined for females, while the reverse was true for part-time work. Males fared better than females in other indicators as well: their population and labour force participation increased while both figures went down for females. Overall, the prime working-age unemployment rate rose by 0.6pp to 5.6% during the past 12 months, with both the participation rate and unemployment rate being higher for males.

The number of older workers (55 year of age and older) continued to expand at a quick pace, as did their presence in the labour force. The population of Nova Scotians in this age group increased by 6,800 or 2.1% since May 2017, and the number participating in the labour force went up by 2,600. Employment in this age group increased by 1,300 and older workers now comprise 25.6% of all employment. The gap between the number of labour force entrants and the increase in employment in this age group caused the unemployment rate to increase by a full percentage point to 6.7%. As with the other two age groups, year-over-year labour force and employment growth occurred solely among males while both figures were negative for females.

EMPLOYMENT BY INDUSTRY

Approximately one-third of the increase of employment over the previous tweleve months occurred in the Goods-producing sector, while the remaining two-thirds were spread among Services-producing industries. In the **Goods-producing sector**, the 1,500 increase in workers was driven by **Agriculture** and **Construction** which added 1,600 and 800 workers respectively. Profitable types of Agriculture such as viniculture have been experienced rising output and employment, though crop damage caused by late frosts this year may affect the demand for labour later in the season. Investment in non-residential construction in the first quarter of 2018 was up by 45.4% compared to the same quarter last year despite work on some major projects having wrapped up. Employment growth in **Manufacturing** was tepid, adding just 100 workers. The number of workers went down in the other two industries in this sector, **Utilities** and **Forestry, fishing, mining, quarrying, oil and gas**. The latter may continue to see declines as offshore gas extraction winds up, but could receive a boost in the longer-term from British Petroleum's offshore exploration activity.

Nova Scotia Monthly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	May 2018	Apr 2018	May 2017	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	454.1	457.7	449.6	-3.6	-0.8	4.5	1.0
Goods-producing sector	82.6	84.9	81.1	-2.3	-2.7	1.5	1.8
Agriculture	5.9	5.5	4.3	0.4	7.3	1.6	37.2
Forestry, fishing, mining, quarrying, oil and gas	8.9	10.0	9.8	-1.1	-11.0	-0.9	-9.2
Utilities	3.9	4.4	4.0	-0.5	-11.4	-0.1	-2.5
Construction	31.9	33.9	31.1	-2.0	-5.9	0.8	2.6
Manufacturing	32.0	31.1	31.9	0.9	2.9	0.1	0.3
Services-producing sector	371.5	372.8	368.5	-1.3	-0.3	3.0	0.8
Trade	79.7	78.6	77.0	1.1	1.4	2.7	3.5
Transportation and warehousing	20.2	20.7	19.2	-0.5	-2.4	1.0	5.2
Finance, insurance, real estate and leasing	22.1	21.6	22.4	0.5	2.3	-0.3	-1.3
Professional, scientific and technical services	27.0	26.2	27.7	0.8	3.1	-0.7	-2.5
Business, building and other support services	16.6	18.1	19.0	-1.5	-8.3	-2.4	-12.6
Educational services	36.8	37.9	35.8	-1.1	-2.9	1.0	2.8
Health care and social assistance	68.2	68.5	72.2	-0.3	-0.4	-4.0	-5.5
Information, culture and recreation	17.5	17.1	15.7	0.4	2.3	1.8	11.5
Accommodation and food services	35.4	35.4	30.5	0.0	0.0	4.9	16.1
Other services	19.2	19.1	19.1	0.1	0.5	0.1	0.5
Public administration	28.8	29.7	29.9	-0.9	-3.0	-1.1	-3.7

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0355

Though employment was up by a moderate 0.8% overall in the **Services-producing sector**, there was a mixture of large increases and decreases at the industry level. Accommodation and food services led with a 4,900-person (16.1%) increase in workers; businesses in this industry may be anticipating high demand during this tourism season following a strong year for visitations to the province in 2017. The relatively large **Wholesale Trade** industry added the second-highest number of workers, at 2,700, while a strong rate of growth occurred in **Information, culture and recreation** (+11.5%). More modest employment increases occurred in **Transportation and warehousing** and **Educational services**, which both added 1,000 workers. In the case of the latter, the public school system continues to roll-out its pre-primary program to additional sites and recently announced plans to enhance classroom-support services. Five industries experienced declining employment of which the largest nominal decrease was in the **Health care and social assistance** industry as a shortage of nurses and physicians has been exacerbated by a large number of workers reaching retirement age.

REGIONAL ANALYSIS

Compared to May 2017, employment in **Cape Breton** was down by 1,300 with all of the decrease occurring in full-time work. The unemployment rate remained unchanged at 14% as the number of persons participating in the labour force declined at the same rate as employment. The working-age population also went down, but at a slower rate than the labour force which caused the participation rate to slip by 1.2 pp. At 51.2%, Cape Breton's participation rate is 10pp below the provincial average and is the lowest in the country. In the **Goods-producing sector**, employment growth was driven by an increase in **Manufacturing** while **Forestry, fishing, mining, quarrying, oil and gas** shed jobs. The other Goods-producing industries were little changed. The **Services-producing sector** experienced a 2,000-person decline in employment overall, with declines occurring in six industries including **Educational services** and **Health care and social assistance.** Employment went up in **Information, culture and recreation, Accommodation and food services**, and **Other services**.

The **North Shore** also experienced decreasing employment and labour force participation over the past year. Though part-time employment went down by 2,400, the overall decline was lessened as the number of full-time workers rose by 1,000 persons. The unemployment rate was almost unchanged at 9.8%. Employment in the **Goods-producing sector** declined at a much faster rate than the **Services-producing sector**, as the **Construction** and **Agriculture** industries shed 800 workers each. In the Services-producing sector, the 400-person decline in employment was the combined result of three industries—**Health care and social assistance**, **Other services**, and **Public administration**—reporting a combined decrease of 3,500 workers which was mostly compensated by hiring spread among many of the remaining industries.

There were 600 fewer workers in the **Annapolis Valley** compared to May 2017, the result of a large decrease in full-time employment combined with an increase in part-time work. As in all of the other predominantly rural economic regions in Nova Scotia, a large number of workers exited the labour force. As a result, both the unemployment and participation rates in the Annapolis Valley declined. Employment growth in **Agriculture** and **Construction** increased the number of workers in the **Goods-producing sector**. Meanwhile, employment in the **Services-producing sector** went down as **Health care and social assistance** and **Information, culture and recreation** experienced large declines. These losses were partially cancelled out by strong employment growth in **Wholesale and retail trade** along with smaller increases in several other industries.

The **Southern** economic region experienced a slight increase in employment since one year ago, with a pronounced shift from part-time to full-time work. Though the working-age population of the region remained stable, 1,600 persons left the labour force which, combined with increase in employment, caused the unemployment rate to decline by 3.2pp to 6.4%. The participation rate also went down to a relatively low point, at 54.9%. The modest gain in employment was comprised of a large increase in **Goods-producing sector**

employment and fewer workers in the **Services-producing sector**. In the former, bright spots included **Agriculture**, **Manufacturing**, and **Construction** whose gains were dampened somewhat by a declining number of workers in **Forestry, fishing, mining, quarrying, oil and gas**. Notable developments in Services-producing industries included a large decline in employment in **Health care and social assistance** and hiring in **Accomodation and food services**, **Professional, scientific and technical services**, and **Finance, insurance, real estate, rental and leasing**.

While the other economic regions experienced mixed fortunes over the past year, developments in the **Halifax** labour market were almost entirely positive. Employment expanded at 4.1% as the region added 9,200 workers, outpacing the growth of the labour force and causing the unemployment rate to drop to 6.1%. The labour force, in turn, grew at a faster rate than the working-age population which pushed the participation rate up to 67.7%. The change in employment was the result of 11,100 more persons working full-time hours, combined with a 1,900-person decrease in part-time work. Both the **Goods-producing** and **Services-producing sectors** employed more people than one year prior, with moderate-to-large increases occurring in nearly all industries. Exceptions to this trend were **Manufacturing**, **Finance, insurance, real estate, rental and leasing**, and **Professional, scientific and technical services**.

Nova Scotia Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	May 2018 ('000)	May 2017 ('000)	Yearly Variation (%)	May 2018 (%)	May 2017 (%)	Yearly Variation (% points)
Nova Scotia	451.0	444.9	1.4	7.8	8.9	-1.1
Economic Regions						
Cape Breton	46.1	47.4	-2.7	14.0	14.0	0.0
North Shore	66.1	67.5	-2.1	9.8	10.0	-0.2
Annapolis Valley	57.1	57.7	-1.0	7.8	8.4	-0.6
Southern	50.1	49.8	0.6	6.4	9.6	-3.2
Halifax	231.7	222.5	4.1	6.1	7.3	-1.2

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0293

***Note:** In preparing this document, the authors have taken care to provide clients with labour market information that is timely and accurate at the time of publication. Since labour market conditions are dynamic, some of the information presented here may have changed since this document was published. Users are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this document does not necessarily reflect official policies of Employment and Social Development Canada.*

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***For information on the Labour Force Survey**, please visit the Statistics Canada Web site at: www.statcan.gc.ca*

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